

c. Scher3 Inc. was a purported advertising and

sales company with one employee that SCHER established on or about December 1, 2017.

d. Scher4 Inc. was a purported printing and graphic design company with one employee that SCHER established on or about December 13, 2017.

e. Scher5 Inc. was a purported billing services company with one employee that SCHER established on or about December 18, 2017.

f. Scher6 Inc. was a purported construction company with one employee that SCHER established on or about December 20, 2017.

g. Scher7 Inc. was a purported construction company with one employee that SCHER established on or about December 27, 2017.

h. Scher8 Inc. was a purported billing services company with one employee that SCHER established on or about January 17, 2018.

i. Scher9 Inc. was a purported advertising and sales company with one employee that SCHER established on or about January 23, 2018.

j. Scher10 was a purported construction company with one employee that SCHER established on or about January 25,

2018.

k. Truck Your Way Inc. was a purported freight company with one employee that SCHER established on or about October 18, 2017.

l. Scher Realty Group Inc. was a purported real estate company with one employee that SCHER established on or about July 8, 2015.

m. The U.S. Small Business Administration ("SBA") administered the Economic Injury Disaster Loan ("EIDL") program, which was intended to provide funding to help small business recover from the economic impacts of the Covid-10 pandemic. The maximum amount of the loan was determined by a formula based on the date the borrower began operating and the borrower's gross revenue and cost of goods sold for the 12 months prior to January 31, 2020. The loans could be used for only working capital and other normal operating expenses. While the loans generally need to be repaid, some borrowers were eligible for up to \$15,000 in advances that did not need to be repaid.

THE SCHEME TO DEFRAUD

2. Over an approximately four hour period on or about July 13, 2020, ELIZIER SCHER, the defendant, submitted twelve applications for EIDL loans to the SBA over the Internet

on behalf of Scher1 Inc. through Scher10 Inc., Truck Your Way Inc. and Scher Realty Group Inc. In each of the twelve applications, SCHER claimed to own the applicant in its entirety. SCHER further requested on each application that the borrower be considered for an advance of up to \$10,000 that did not need to be repaid.

3. ELIZIER SCHER, the defendant, made materially false statements in each application with respect to each applicant's gross revenue and cost of goods sold for the twelve month period prior to January 31, 2020.

4. Between on or about July 20, 2020 and on or about August 11, 2020, the twelve applicants, with the exception of Scher1 Inc., received a net total of approximately \$1,648,900 in loan proceeds from the SBA by wire from Virginia to the applicants' respective bank accounts in White Plains, New York. ELIZIER SCHER, the defendant, used the proceeds to buy real estate and to pay credit card expenses instead of using it for working capital for the borrowers, as SCHER agreed to do in the loan agreements he executed on behalf of the borrowers.

5. From in or about July 2020 to in or about February 2021, in the Southern District of New York and elsewhere, ELIZIER SCHER, the defendant, knowingly and willfully, having

devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice, transmitted and caused to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds, to wit, SCHER submitted loan applications containing materially false statements to the SBA over the Internet, received loan proceeds by interstate wire transfer and used the loan proceeds in a manner inconsistent with the respective loan agreements, as described above.

(Title 18, United States Code, Sections 1343 and 2.)

FORFEITURE ALLEGATION

6. As the result of committing the wire fraud offense in violation of Title 18, United States Code, Section 1343 as charged in Count One of this Indictment, ELIZIER SCHER, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense.

Substitute Asset Provision

7. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third person;

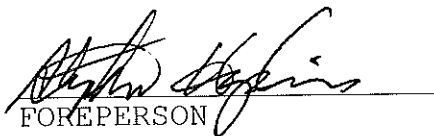
(c) has been placed beyond the jurisdiction of the Court;

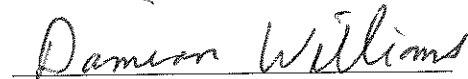
(d) has been substantially diminished in value;

or (e) has been comingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981(a)(1)(C);
Title 21, United States Code, Section 853(p);
Title 28, United States Code, Section 2461.)


FOREPERSON


DAMIAN WILLIAMS
United States Attorney